

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION**

IN RE:)
) CASE NO. 09-50140
RENEGADE HOLDINGS, INC., ET AL.,) (Consolidated for Administration)
)
Debtors.) Chapter 11
)

**LIMITED OBJECTION OF GENERAL ELECTRIC CAPITAL CORPORATION TO
DEBTORS' MOTION TO (A) APPROVE SALE OF SUBSTANTIALLY ALL ASSETS,
(B) ESTABLISH BIDDING PROCEDURES AND APPROVE BREAK-UP FEE, (C)
TRANSFER ANY AND ALL CLAIMS, LIENS, ENCUMBRANCES AND INTERESTS IN
SALE ASSETS TO PROCEEDS OF SALE, (D) APPROVE FORM AND MANNER OF
NOTICE OF SALE, (E) ASSUME AND ASSIGN CERTAIN LEASES AND
EXECUTORY CONTRACTS, AND (F) SCHEDULE HEARINGS TO ESTABLISH SALE
PROCEDURES AND CONFIRM SALE**

General Electric Capital Corporation (“GE Capital”), party-in-interest in the above captioned bankruptcy case, by and through its undersigned counsel, Rebecca A. Leigh, P.C. and Reed Smith LLP, hereby submits its limited objection to the Motion to (A) Approve Sale of Substantially All Assets, (B) Establish Bidding Procedures and Approve Break-up Fee, (c) Transfer Any and All Claims, Liens, Encumbrances and Interests in Sale Assets to Proceeds of Sale, (D) Approve Form and Manner of Notice of Sale, (E) Assume and Assign Certain Leases and Executory Contracts, and (F) Schedule Hearings to Establish Sale Procedures and Confirm Sale (the “Sale Motion”). In support of its limited objection, GE Capital states as follows:

FACTUAL BACKGROUND

Renegade Holdings, Inc. (“RHI”), Alternative Brands, Inc. (“ABI”), and Renegade Tobacco Company (“RTC” and collectively, the “Debtors”), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) on January 28,

2009. The Debtors' bankruptcy cases were administratively consolidated by order dated February 11, 2009.

In addition to the Debtors' bankruptcy cases, PTM Technologies, Inc. ("PTM") filed a voluntary petition under chapter 11 of the Bankruptcy Code on May 26, 2010 (Case No. B-10-50980-11W). The Debtors' bankruptcy cases are not consolidated with that of PTM, and the instant case is not jointly-administered with that of PTM.

PTM's primary source of funding comes from a lease of PTM's equipment to ABI (the "Lease"). GE Capital is a creditor of PTM and holds a claim against PTM based on the financing by GE Capital or its predecessor-in-interest of certain of the equipment leased by PTM to ABI.

The Debtors' Sale Motion requests approval of an Asset Purchase Agreement (the "APA"). The APA provides for certain executory contracts or leases to be assumed and assigned by the proposed buyer, including, at the buyer's option, the Lease.

Subsequent to the Debtors' filing of the Sale Motion, on October 4, 2011, PTM filed in its case a Motion for Authority to (1) Enter into a New Lease Agreement with Renegade Holdings, Inc. for the Lease of Certain Equipment, & (2) to Assume and Assign the Lease in Conjunction with the Sale of Assets ("PTM's Motion") (Case No. 10-50980, Docket No. 233). PTM's Motion requests, among other things, that the Lease be modified or replaced with a new lease, which shall be assumed and assigned by ABI in conjunction with the Sale Motion. A hearing on PTM's Motion is set for October 25, 2011.

LIMITED OBJECTION

GE Capital does not object to the Sale Motion as filed by the Debtors. However, PTM's Motion relies upon and references the Sale Motion and is, in some fashion, made in conjunction with the Sale Motion. GE Capital expressly reserves its rights to object to PTM's Motion, which

objection is not yet due to be filed. GE Capital's election not to object to the Debtor's Sale Motion should not be deemed as GE Capital's consent to PTM's Motion in any manner. GE Capital expressly reserves its right with respect to: (i) its collateral; (ii) any and all agreements made by GE Capital and PTM; and (iii) all rights to object in whole or in part to PTM's Motion or any motion brought by the Debtors or PTM with respect to GE Capital's collateral and/or the Lease.

Dated: October 7, 2011

Respectfully submitted,

By: /s/ Rebecca A. Leigh

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